

# DE News

May 24, 2002 - Iowa Department of Education - Ted Stilwill, Director

Legislators this week brought forth a budget proposal for debate during next week's Special Session to address the projected \$200 million Fiscal 03 shortfall. The proposal, probably the most dramatic yet in the ongoing attempts to balance the budget, would completely eliminate several programs and greatly reduce funding for others.

Governor Vilsack and lawmakers already have agreed to resolve the \$219 million Fiscal 02 deficit by using \$105 million from the economic emergency fund, \$84 million from the cash reserve fund and \$30 million from other funds, which will leave about 4% in reserves; state officials have said that is the amount necessary to ensure timely payment of bills.

Several education items are on the "elimination" list -- although most of the education items maintained their funding as passed by the legislature earlier this year. The proposed funding (compared to final action during the regular legislative session) includes:

- K-12 Technology -- eliminated (was at \$5.7 million)
- Community College Technology -- eliminated (was at \$3 million)
- Vision Iowa School Infrastructure -- eliminated (was at \$20 million)
- Vocational Rehabilitation -- reduced by an additional \$107,000
- Dept. of Education Administration -- reduced by an additional \$113,642
- State Foundation Aid -- remains at the \$59 million increase over last year
- Teacher Quality and Student Achievement -- remains at \$40 million
- Class Size Reduction -- remains at \$30 million

Governor Vilsack's own budget-balancing proposal would not require these reductions, which he believes would be too harmful to necessary state services, but instead would use transfers from the road use tax or use tax funds. He believes that using a small percentage of these funds would better serve the state's priorities without causing any delays in construction projects.

**Technology funding** already has been greatly reduced. And we know from our own experience that the harm caused by reductions in technology would be most acutely felt in the next year or two, when we are unable to make the necessary system upgrades or purchases. The community college programs in technical areas will be affected most directly because they are most dependent on keeping technology current or adding programs that respond to emerging technology in the workplace. This has an immediate impact on workforce preparation and development for expanding companies or those companies that might locate in Iowa, but need a strong training partner.

The reduction in **vocational rehabilitation** funding (coming at a time of high demand for services) already has created a waiting list for clients -- a list that will grow by as many as 500 clients if these additional cuts are made. In addition, the mandatory furloughs would cause the 100% federally funded services for disability determination to be cut back needlessly and with a loss in indirect cost to be paid to the state from federal funds.

With significantly fewer staff serving more clients and providing more functions, the Department's **administration** will not be able to absorb its additional reduction without meaningful reductions in services. Because we already had anticipated an FY03 budget shortfall, we proactively sought legislative approval to eliminate some department responsibilities that would result in the necessary savings. With proposed cuts that will now exceed 10% when compared to our FY02 spending levels, data collection for new federal requirements will be jeopardized and federal funding will be lost because state matching funds are not available. Our oversight, technical assistance and constituent responsiveness all will be less timely. It may also mean less

reimbursement to school districts and to community colleges for vocational programs, less reimbursement to districts for school lunches and breakfasts served.

As we know, it is difficult to predict the outcome of the Special Session; we know that in addition to serious financial constraints, our state leaders and lawmakers are working under serious time constraints. The forthcoming decisions will have a serious impact, but they must be made fairly quickly because the fiscal year end is looming.

We can gain some assurance that education remains a priority, but that assurance should not make us overconfident. K-12 schools, AEAs and community colleges already have felt the impact of budget cuts, and we will continue to feel additional impacts as we move through the next fiscal year.

Please continue communicating with your school boards and leadership, as well as leaders in the community, to keep them advised of the situation and gain their support.

**DE on Furlough Friday Afternoon, May 24**

To help reduce expenses and balance the budget, the Department and Board of Educational Examiners will be on furlough Friday, May 24, beginning at noon. The furlough applies to all employees in the Grimes Building. We apologize for any inconvenience this may cause to our customers and clients. Please note that employees also will be on furlough the afternoon of Friday, June 7.

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*Iowa Department of Education Mission:*

*"Helping communities meet the learning needs of all of their children and adults"*

DE News provides timely information about legislative and policy issues, grants and funding, trends in education, and other items of immediate interest to Iowa educators and policymakers. Contact: Kathi Slaughter, Iowa Department of Education, 515/281-5651 or [kathi.slaughter@ed.state.ia.us](mailto:kathi.slaughter@ed.state.ia.us)